



# Joint Economic Committee DISTRICT OF COLUMBIA ECONOMIC SNAPSHOT

Senator Charles E. Schumer, Chairman  
Congresswoman Carolyn B. Maloney, Vice Chair

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Over the past six years, the Bush economy has made it more difficult for the vast majority of Americans to get ahead. Under this administration, there has been a sharp divergence between the fortunes of companies and the paychecks of their workers. The slow growth in wages has been compounded by the growing demands on families' pocketbooks, caused by the rising costs of health care, energy, childcare, and college tuition. We need a new direction in economic policy, aimed at restoring broad-based growth, reducing high costs of health care and energy, and increasing prosperity and retirement security for all Americans.

## WAGES LAGGING PRODUCTIVITY; JOB GROWTH ABYSMAL

**District of Columbia's Median Household Income Fell Slightly from 1999-2000 to 2005-2006.** Despite strong gains in productivity, workers' wages are only marginally higher than they were 25 years ago, and after adjusting for inflation, nationally, the income of a typical American household fell by \$962, or 2.0 percent, to \$48,201 between 2000 and 2006. In District of Columbia, real median household income averaged \$47,517 over the 1999-2000 period, compared with \$47,473 over the 2005-2006 period. [Census Bureau, U.S. Department of Commerce, available [here](#). Following Census guidance on how to use state level data, this fact sheet compares the two-year average for 1999-2000, the last years of the Clinton Administration, to the two-year average for 2005-2006 to analyze changes in household income, poverty and health insurance coverage under President Bush. For more information, see the JEC's August 29, 2007 fact sheet on household income, available [here](#). Note: These and all other dollar amounts are expressed in constant 2006 dollars.]

**District of Columbia's Economy Has Added Only 48,600 Jobs Since 2000.** President Bush is in a statistical dead heat with his father for the worst job creation record of any president since Herbert Hoover, having created only 5.7 million jobs since he took office in January 2001. That averages out to a mere 72,000 new jobs a month nationwide. District of Columbia's payrolls totaled 700,000 jobs in July 2007, only 48,600 more than in January 2001. [Bureau of Labor Statistics, U.S. Department of Labor, available [here](#).]

## FAMILIES ARE FEELING THE PRESSURE OF RISING EXPENSES

**Health Care Premiums Have Risen 21.0 Percent in District of Columbia Since 2001.** Health insurance premiums have risen four times faster than wages over the past six years on a national level. Between 2001 and 2005, the average monthly premium paid by workers for family health coverage rose 29.6 percent, after adjusting for inflation. In 2005, the average inflation-adjusted health care premium for family coverage in District of Columbia was \$12,002, which is 21.0 percent higher than it was in 2001. Similarly, the average health care premium for individual coverage in District of Columbia has risen 26.3 percent since 2001, to an estimated \$4,358 in 2005. [Agency for Healthcare Research and Quality, U.S. Department of Health and Human Services, available [here](#).]

**In District of Columbia, 37.8 Percent of Households Had Housing Costs Greater Than 30 Percent of Their Income.** Experts recommend households devote no more than 30 percent of their income to housing expenditures. In 2004, 37.8 percent of households in District of Columbia spent more than 30 percent of their annual income on housing. Furthermore, 18.7 percent spent *more than half* of their income on housing. Those numbers compare to 31.9 percent and 14.4 percent of households, respectively, across the United States. [Joint Center for Housing Studies at Harvard University, Tabulation of the 2004 American Community Survey, available [here](#).]

## POVERTY REMAINS HIGH, ALONG WITH THE RANKS OF THE UNINSURED

**In District of Columbia, 19.8 Percent of Residents Were Living in Poverty Over Last Two Years.** Nearly one out of every eight Americans, 12.3 percent, was living in poverty in 2006. In District of Columbia, the poverty rate averaged 19.8 percent over the 2005-2006 period, compared with 15.0 percent over the 1999-2000 period. The poverty rate for District of Columbia's children averaged 35.2 percent over the 2005-2006 period. [Census Bureau, U.S. Department of Commerce, available [here](#). See the JEC's August 29, 2007 fact sheet on poverty, available [here](#).]

**Over Last Two Years 69,000 District of Columbia Residents Had No Health Insurance.** The number of Americans without health insurance totaled 47.0 million in 2006, up 8.6 million since President Bush took office. During the 2005-2006 period, an average of 69,000 District of Columbia residents, 12.4 percent of the state's population, had no health insurance – 7,000 less than during the 1999-2000 period. Furthermore, the number of District of Columbia's uninsured children amounted to 7.5 percent of the state's population under the age of 18. [Census Bureau, U.S. Department of Commerce, available [here](#). See the JEC's August 29, 2007 fact sheet on health insurance, available [here](#).]

## HOUSING MARKET SLUMP HITTING FAMILY EQUITY

**Subprime Mortgage Meltdown Hurting Housing Market in District of Columbia.** The subprime mortgage crisis is taking its toll on homeownership and home equity nationwide, with the percentage of adjustable rate subprime mortgages in delinquency across the United States hitting 13.9 percent in the first quarter of 2007. That is a 4.9 percentage point increase from the first quarter of 2005. District of Columbia also saw an increase, as the percentage of adjustable rate subprime mortgages in delinquency increased from 6.4 to 12.5 over the same period. Likewise, the percentage of all outstanding subprime adjustable rate mortgages entering into foreclosure in District of Columbia has risen from 1.2 percent in the first quarter of 2005 to 2.0 percent in the first quarter of 2007. By some estimates, every foreclosure results in a one percent decrease in nearby property values, with the impact even higher in lower-income communities. [Mortgage Bankers Association; Dan Immergluck and Geoff Smith, "The External Costs of Foreclosure: the Impact of Single-Family Mortgage Foreclosures on Property Values," *Housing Policy Debate*, Vol. 7, Issue 1, 2006. See the JEC's June 22, 2007 fact sheet on foreclosures, available [here](#).]